What Social Media Can Teach Retirement Marketers

By Kerry Pechter *Thu, Feb 25, 2016*

Target marketers, the word "retirement" is a buzzkill. That's what sociologists at research startup MotivIndex concluded after studying Facebook threads, Instagram feeds, and LinkedIn posts.

Understanding your audience is essential to effective communications, including all manner of marketing. But the retirement industry doesn't understand its audience nearly as well as it could, according to the young Canadians at a research startup called MotivIndex.

For example, most Americans don't respond well to the word "retirement;" it makes them anxious, says Ujwal Arkalgud, an MBA and self-described cultural anthropologist who co-founded **MotivIndex** eight months ago with adman Jason Partridge. The concept itself is a burden or an unwelcome buzzkill.

"That word is associated with stress and debt and the end of all the fun," Arkalgud (right) told *RIJ* in a recent call from his Toronto office. "Imagine that you're running a marathon and halfway through, when you're feeling beaten up, someone says, 'Let's talk about how you'll feel at the finish line!' Financial institutions need to talk about retirement differently.

"When you tell people to focus on tomorrow, it doesn't speak to their main emotional trigger, which is to feel in control today," he added. "Everybody knows they should save. So if you ask most parents if they're saving, they won't admit that they're not being responsible. It makes them feel like they're not good parents. It's a scary question."

MotivIndex' broader lesson for the field of market research is its founders' belief that traditional surveys, with their scripted and sometimes leading questions, fall short. "What became clear to us is that people say one thing [to pollsters] and do another. That's why there's so much confusion. Telephone research is okay when people are already engaged with you, and when you just want to know how to serve them better. But it doesn't help you understand their *intent*."

If you want to understand intent and motivation in a compressed span of time, he said, you have to listen in to personal, self-revelatory conversations. With the explosion in social media, where MotivIndex focuses its attention, the opportunity to do that has been growing exponentially. To find out what people really think about money and retirement, they study Facebook threads, Instagram posts, and LinkedIn group comments.

"In most projects we're looking at between six and 12 social media platforms," Partridge told *RIJ*. "We use technology to grab the data, but teams of Ph.D.-level researchers do the analysis." Because of the rising volume of social media, their projects run faster than ever. "Five years ago, it took six months to get rock solid results using this methodology. We can do that in four weeks now."

Three types of consumers

"On Instagram, for instance, you might see a photo of a woman with a Coach bag visible in the background," Arkalgud said. "Then you notice that there's a luxury item in almost one of her photos, and that every other post mentions a purchase decision. Luxury brands define this person. But, when you look to see where she lives, you find that she isn't rich." Such contradictions lead to questions, which can lead to productive answers.

MotivIndex believes that most American adults fall into one of three "belief-based segments." In a recently release, **"Why People Won't Save in 2016,"** they report the results of their December 2015 study of attitudes toward retirement and long-term savings. The three segments are:

- **Life Planners.** This group, representing about 19% of the adult population under age 60, is the most receptive to messages about saving for retirement. Believers in delayed gratification, they "attain financial independence as early as possible, through the right choices and sacrifices made today. They "maximize return on investments so 'retired' life can be highly fulfilling and rewarding." They're financially motivated, knowledgeable; they trust themselves and their advisors. On social and political issues, they tend to be conservative.
- **Competing Priorities.** An estimated 43% of American adults, mainly ages 30 to 60, are harried middle-aged parents with less time and money than their hectic lives require. They are "motivated by emotional gains in the short-term." They "have a vision for their lives and loved ones and want to make 'it' happen." They want to save for retirement and they do—but pre-retirement needs come first.
- **Procrastinators.** Members of the remaining 39% of adults, primarily under 40 and

urban-dwelling, know they should save for retirement but prefer "living life in the now." They are in denial about the future. Their financial knowledge is low. They often take refuge in magical thinking, believing that "it will all work out somehow." They're more socially progressive than the other two groups.

MotivIndex believes that the members of these groups will maintain their attitudes toward money throughout their lives. Despite the apparent progression in age and wealth from one group to the next, Arkalgud doesn't think that the three categories represent stages of development. In any case, the current members of these groups have three distinct hot buttons, MotivIndex thinks, that marketers should understand:

- **Safety nets.** In the realm of financial products, Procrastinators are looking for "short-term safety-nets" that will "allow them to continue living life on their own terms, in the pursuit of inspiration and experiences that last a lifetime."
- **Validation.** Members of the fiscally conservative Competing Priorities group "need someone to help them simplify and prioritize." They want less clutter in their lives, and they need validation that they are "good providers." Owning life insurance, for instance, would appeal them.
- **Freedom.** Life Planners already own investments; the challenge is to convince them to switch products or providers. They need to be engaged in product or strategy discussions. Ultimately, they want the freedom to pursue what will give them joy in the years they have left.

"That middle 40% is made up of people who define themselves as being good mothers, fathers, friends or partners," Arkalgud told *RIJ*. They think, 'If I save I should be able to reap the rewards and validate my role as an amazing parent or son or daughter.'

"We call them 'the overwhelmed.' They tend to lead busy lives and have competing priorities. They feel overwhelmed by conversations about finance and money. They want financial institutions to take their stress away. Education only adds to the stress. It doesn't take it away. Financial institutions don't understand this. That's why they're struggling to get their attention.

"The other 40% thinks that money will somehow work out in their lives. They'll have a business success, an inheritance, or make a killing on the house. The mindset is such that they are not stressed about money and they spend a lot. The 'future self' concept doesn't work for them, unless you're talking about saving to start a business in six months."

The three groups share two traits, MotivIndex found. First, they want to feel accepted, not judged. To lower the barrier to engagement, financial institutions need to show that they "understand people and their priorities." They need to tell platforms need to tell consumers that "there's still time," and that "there is no one way of doing things and no one way to save."

Second, people want to feel that they're being "enabled" and not being asked to change. It's "important to make audiences feel that financial institutions are not looking to get them to change their way of life, but rather enable it and make it sustainable, by providing incremental advice and value," the report said.

"Consumers consider the messages used by financial institutions to be more like finger wagging," said Partridge. "To truly resonate with individuals, the financial community should start with programs that provides individuals with a reason to save short term by connecting it to important events in their lives. The bottom line is that financial institutions must build trust before trying to get people to think about the future."

Mining social media

The explosion in the usage rate and volume of social media has provided MotivIndex with the raw material to create a field of study that it calls Digital Motivation Research. MotivIndex was founded on the premise that the presence of human interviewers and the use of prepared questions inevitably corrupt the responses.

"The net result is that you miss out on the depth that we can get with observational research," said Arkalgud, who has degrees in engineering and business (his MBA is from York University in Toronto. A few years ago, when he was working in market research, he noticed that ethnographers had begun to study the social media phenomenon. An informal student of sociology and anthropology himself, he saw the potential application to marketing.

"The first test of our methodology was five years ago, in a project for Hewlett-Packard and Microsoft. The coding method is the magic behind our formula, and that took five years to build," he said. Eight months ago, he teamed up with Partridge to start MotivIndex. They brought on Boston-based political consultant Beth Lindstrom to develop new business and Ph.D. sociologist Elinor Bray-Collins to oversee research.

"We grew from there," Arkalgud added. "We didn't use seed capital; we're self-funded in that sense. The market is responding. Companies tell us, 'We already know what our customers do and how they do it. We want to know why.' And we find out. Every company wants to build better bridges and connections with their customers today."